

# Office of the State Board of Education

Analyst: Hancock

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2005 Total App</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Approp</b>	<b>FY 2007 Request</b>	<b>FY 2007 Gov Rec</b>
<b>BY FUND CATEGORY</b>					
General	4,107,200	4,092,300	4,584,900	7,929,700	8,165,200
Dedicated	133,900	15,700	176,800	135,400	1,635,400
Federal	5,230,800	6,431,700	6,951,800	7,070,700	7,069,600
<b>Total:</b>	<b>9,471,900</b>	<b>10,539,700</b>	<b>11,713,500</b>	<b>15,135,800</b>	<b>16,870,200</b>
Percent Change:		11.3%	11.1%	29.2%	44.0%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	1,593,500	1,445,400	1,708,700	1,963,000	4,670,500
Operating Expenditures	7,091,200	7,835,200	9,217,600	12,354,700	9,897,600
Capital Outlay	0	54,700	0	16,000	1,500,000
Trustee/Benefit	787,200	1,204,400	787,200	802,100	802,100
<b>Total:</b>	<b>9,471,900</b>	<b>10,539,700</b>	<b>11,713,500</b>	<b>15,135,800</b>	<b>16,870,200</b>
Full-Time Positions (FTP)	22.00	22.00	22.00	26.00	22.00

## Division Description

The State Board of Education is responsible for the general supervision, governance, and control of Idaho's public education system from kindergarten through the doctoral level, including oversight of public schools and the community colleges.

The Board is composed of eight members, seven of whom are appointed to five-year terms by the Governor subject to Senate confirmation. The eighth member is the holder of the statewide elected office of the Superintendent of Public Instruction. The Board meets across the state in nine to twelve regular sessions each year with additional special sessions scheduled as needed.

Recently, the State Board of Education has taken a larger role in K-12 education via development, adoption and implementation of achievement standards for Idaho's public school students. The Board is also reassuming the role and duties of 'State Education Agency' that it had previously delegated to the Superintendent of Public Instruction.

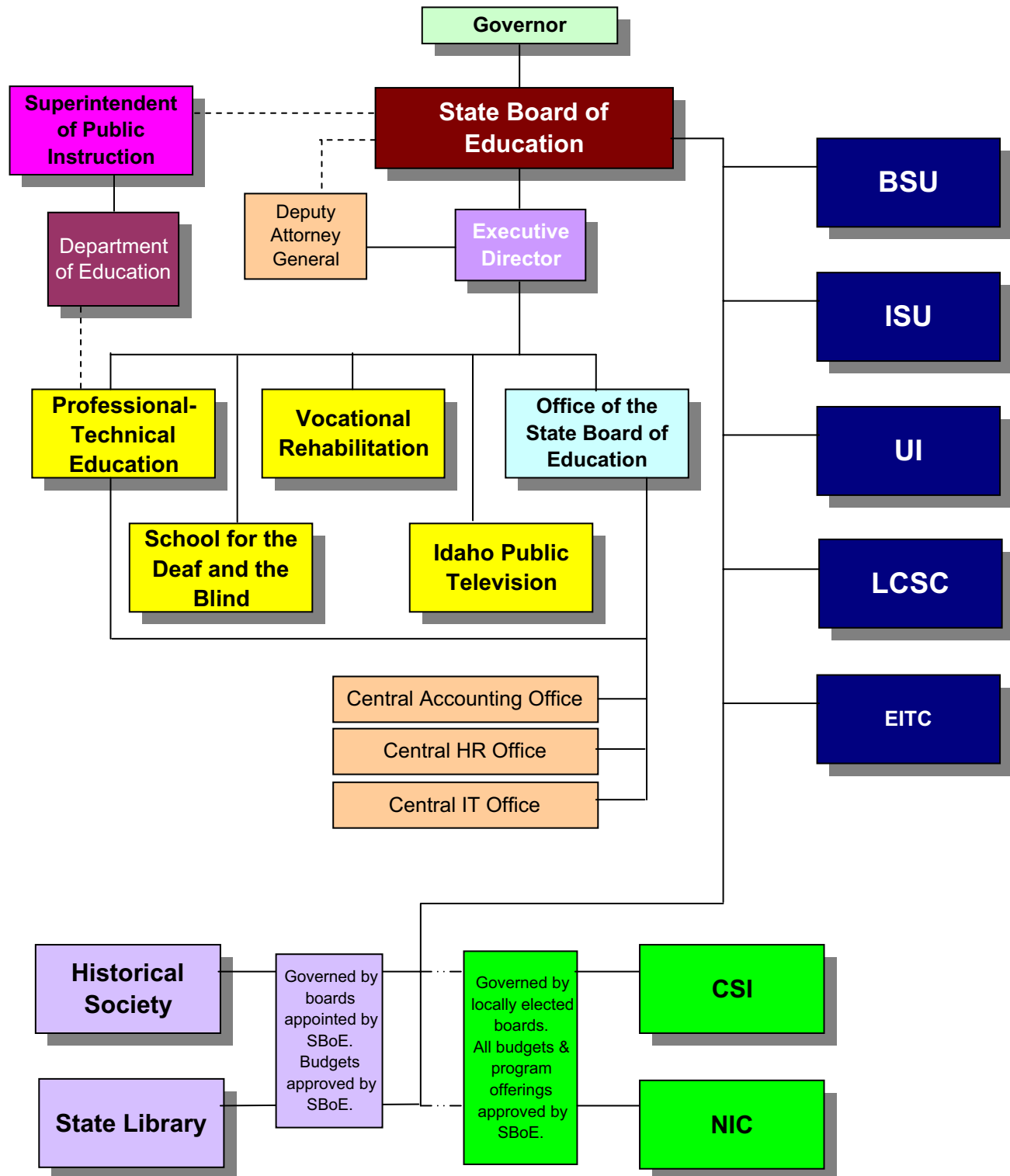
The Office of the State Board of Education (OSBE) provides professional staff support to the State Board of Education. Staff expertise focuses primarily on program evaluation, fiscal oversight and centralized record keeping. OSBE staff also responds to Board requests for special studies, monitors agency compliance with Board policies, and administers the state-funded financial aid programs.

# Office of the State Board of Education

## Issues & Information

Analyst: Hancock

### State Board of Education Organizational Chart

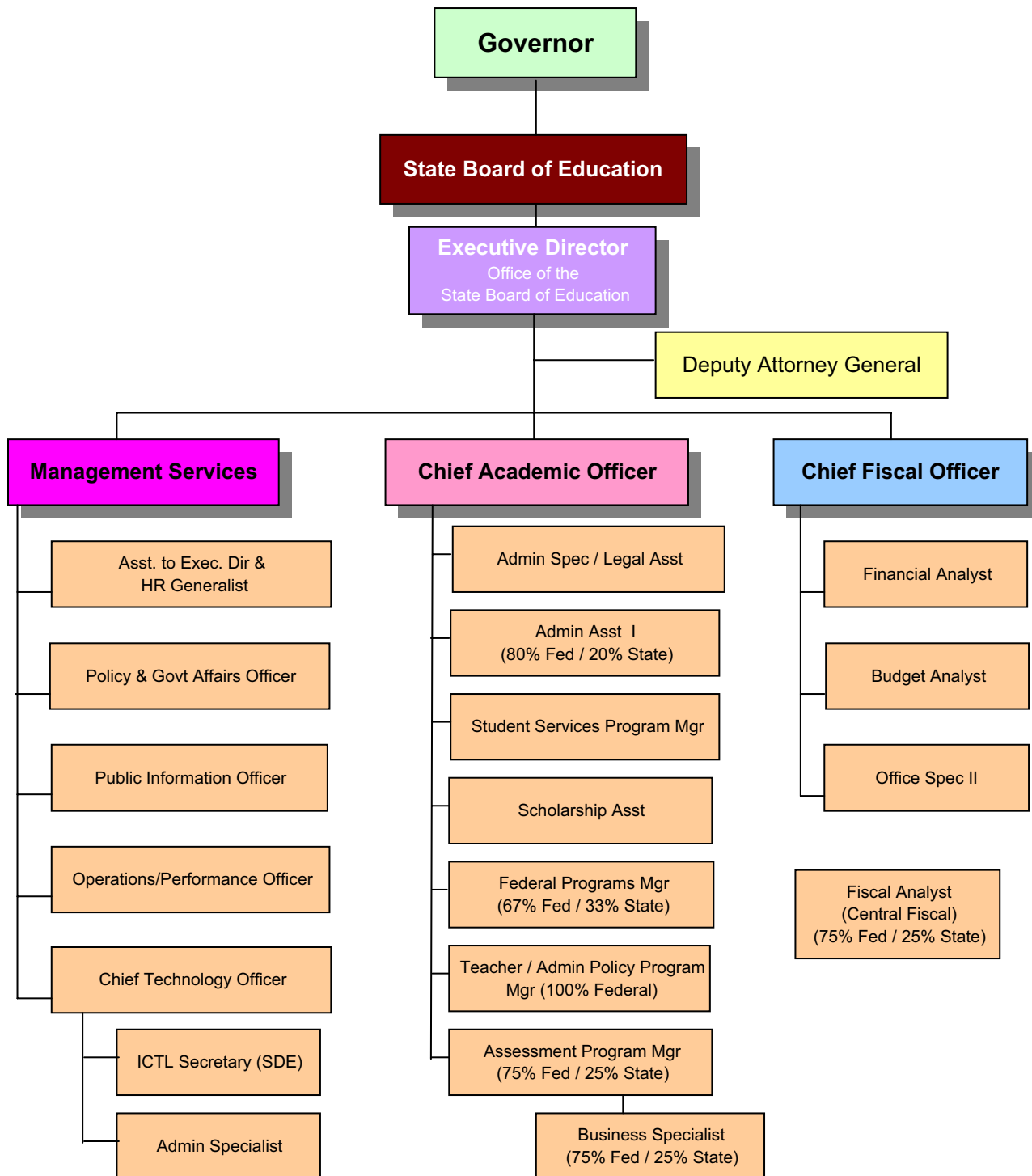


# Office of the State Board of Education Issues & Information

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## Office of the State Board of Education Organizational Chart

22.00 Full-Time Position Equivalents budgeted for FY 2006



*Positions funded with General Fund moneys unless otherwise noted.*

# Office of the State Board of Education

## Agency Profile

Analyst: Hancock

### Selected Measures

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1. Number of Idaho Standards Achievement Tests (ISATs) administered	520,000	1,000,000	1,340,000		
2. Number of regular and special board meetings held	17	15	15		
3. Number of charter schools overseen by the Public Charter School Commission			4	7	10

### Sources of Funds

	FY05 Expend.	% of Expend.	FY06 Approp.	FY07 Request
<b>1. General Fund</b>	\$4,092,315	38.8%	\$4,584,900	\$7,929,700
The General Fund consists of, "moneys received into the treasury and not specially appropriated to any other fund" (§67-1205). The fund sources are: 1) individual income tax, 2) corporate income tax, 3) sales tax, 4) cigarette tax, 5) beer tax, 6) wine tax, 7) liquor revenue, 8) kilowatt hour tax, 9) mine license tax, 10) Treasurer's interest on investments of certain idle state funds, 11) court fees and fines, 12) insurance premium tax, 13) sale of alcoholic beverage licenses, 14) unclaimed property, 15) articles of incorporation and uniform commercial code filing fees, 16) estate and transfer tax, and 17) other miscellaneous sources from various agency receipts.				
<b>2. Miscellaneous Revenue Fund</b>	\$15,682	0.1%	\$132,900	\$135,400
Miscellaneous revenue includes moneys received from the registration of proprietary schools and various short-term grants. Most such grants over the past several years have come from the J.A. and Kathryn Albertson Foundation.				
<b>3. Federal Grant Fund</b>	\$6,431,664	61.0%	\$6,951,800	\$7,070,700
Idaho receives a U.S. Department of Education Title II Teacher Quality Enhancement Programs grant, a Title VI grant for student assessments, and a Limited English Proficiency grant.				
<b>4. Economic Recovery Reserve Fund</b>	\$0		\$43,900	\$0
<b>TOTAL</b>	<b>\$10,539,661</b>	<b>100.0%</b>	<b>\$11,713,500</b>	<b>\$15,135,800</b>

# Office of the State Board of Education

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2006 Original Appropriation</b>	<b>22.00</b>	<b>4,584,900</b>	<b>11,713,500</b>	<b>22.00</b>	<b>4,584,900</b>	<b>11,713,500</b>
HB 395 One-time 1% Salary Increase	0.00	11,400	14,700	0.00	11,400	14,700
Omnibus CEC Supplemental	0.00	0	0	0.00	13,100	16,200
<b>FY 2006 Total Appropriation</b>	<b>22.00</b>	<b>4,596,300</b>	<b>11,728,200</b>	<b>22.00</b>	<b>4,609,400</b>	<b>11,744,400</b>
Removal of One-Time Expenditures	0.00	(11,400)	(71,500)	0.00	(11,400)	(71,500)
<b>FY 2007 Base</b>	<b>22.00</b>	<b>4,584,900</b>	<b>11,656,700</b>	<b>22.00</b>	<b>4,598,000</b>	<b>11,672,900</b>
Benefit Costs	0.00	15,700	20,200	0.00	(17,300)	(23,500)
Inflationary Adjustments	0.00	60,200	187,300	0.00	60,200	187,300
Statewide Cost Allocation	0.00	7,600	7,600	0.00	3,400	7,600
Change in Employee Compensation	0.00	11,300	14,000	0.00	20,900	25,900
<b>FY 2007 Program Maintenance</b>	<b>22.00</b>	<b>4,679,700</b>	<b>11,885,800</b>	<b>22.00</b>	<b>4,665,200</b>	<b>11,870,200</b>
1. Restore Base Reduction	0.00	324,600	324,600	0.00	0	0
2. ISAT Contract Contingency	0.00	2,000,000	2,000,000	0.00	0	0
3. Additional Support Staff	1.00	58,500	58,500	0.00	0	0
4. Additional Office Space	0.00	25,000	25,000	0.00	0	0
5. Charter School Oversight	1.00	94,800	94,800	0.00	0	0
6. Management Analyst/Auditor	1.00	94,800	94,800	0.00	0	0
7. Grants/Contracts Officer	1.00	72,300	72,300	0.00	0	0
8. Higher Education Information System	0.00	580,000	580,000	0.00	0	0
9. Community College Pilot Project	0.00	0	0	0.00	3,500,000	5,000,000
<b>FY 2007 Total</b>	<b>26.00</b>	<b>7,929,700</b>	<b>15,135,800</b>	<b>22.00</b>	<b>8,165,200</b>	<b>16,870,200</b>
Change from Original Appropriation	4.00	3,344,800	3,422,300	0.00	3,580,300	5,156,700
% Change from Original Appropriation		73.0%	29.2%		78.1%	44.0%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2006 Original Appropriation</b>	22.00	4,584,900	176,800	6,951,800	11,713,500
<b>HB 395 One-time 1% Salary Increase</b>					
Reflects a one-time 1% Change in Employee Compensation (CEC) increase.					
Agency Request	0.00	11,400	0	3,300	14,700
Governor's Recommendation	0.00	11,400	0	3,300	14,700
<b>Omnibus CEC Supplemental</b>					
Agency Request	0.00	0	0	0	0
The Governor's FY 2007 recommendation is a 3% ongoing increase in employee compensation (CEC), based on merit, to commence in FY 2006 with the January 29 pay period. This will allow agencies to fund employee compensation increases for ten pay periods prior to the end of the current fiscal year. Funding for the remaining 16 pay periods is provided in the FY 2007 CEC.					
Governor's Recommendation	0.00	13,100	0	3,100	16,200
<b>FY 2006 Total Appropriation</b>					
Agency Request	22.00	4,596,300	176,800	6,955,100	11,728,200
Governor's Recommendation	22.00	4,609,400	176,800	6,958,200	11,744,400
<b>Removal of One-Time Expenditures</b>					
Removes funding provided for HB395, the 27th pay period, and other one-time items.					
Agency Request	0.00	(11,400)	(43,900)	(16,200)	(71,500)
Governor's Recommendation	0.00	(11,400)	(43,900)	(16,200)	(71,500)
<b>FY 2007 Base</b>					
Agency Request	22.00	4,584,900	132,900	6,938,900	11,656,700
Governor's Recommendation	22.00	4,598,000	132,900	6,942,000	11,672,900
<b>Benefit Costs</b>					
Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 6.1% or \$436 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees and by 5.7% from 10.73% to 11.34% of salary for police and firefighters. Other benefit changes include minor adjustments in unemployment insurance rates and workers compensation rates.					
Agency Request	0.00	15,700	0	4,500	20,200
Removes the PERSI rate increase and changes benefit costs to reflect a 3.5% or \$250 per FTP increase in health insurance costs. However, the change in health insurance providers, from Blue Shield to Blue Cross, has created a one-time opportunity to use unexpended reserves from the previous contract. This decision unit provides for a health insurance premium reduction equal to two month's premiums for both the employer and employee. Finally, a life insurance holiday is included equal to seven month's premium for the employer's share only.					
Governor's Recommendation	0.00	(17,300)	0	(6,200)	(23,500)
<b>Inflationary Adjustments</b>					
Includes a general inflationary increase of 1.9% in operating expenditures and trustee/benefit payments.					
Agency Request	0.00	60,200	2,500	124,600	187,300
Governor's Recommendation	0.00	60,200	2,500	124,600	187,300

# Office of the State Board of Education

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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## Statewide Cost Allocation

Statewide Cost Allocation includes increases in risk management fees (\$1,200), State Controller fees (\$6,600), and State Treasurer fees (\$600), and a decrease in Attorney General fees (-\$800).

Agency Request	0.00	7,600	0	0	7,600
Governor's Recommendation	0.00	3,400	0	4,200	7,600

## Change in Employee Compensation

Calculated cost of a 1% salary increase for permanent and group positions.

Agency Request	0.00	11,300	0	2,700	14,000
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Provides funding for the remaining 16 pay periods to annualize the 3% ongoing change in employee compensation recommended in the omnibus CEC supplemental.

Governor's Recommendation	0.00	20,900	0	5,000	25,900
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## FY 2007 Program Maintenance

Agency Request	22.00	4,679,700	135,400	7,070,700	11,885,800
Governor's Recommendation	22.00	4,665,200	135,400	7,069,600	11,870,200

### 1. Restore Base Reduction

This line item would restore the last remaining one-time portion of the \$1 million base reduction enacted in this budget in FY 2005. The reduction had been made possible by the State Board of Education's identification of an influx of federal dollars, which were able to replace General Fund dollars that had been allocated for student assessments. The General Fund money saved was added to the Public Schools budget. Of the \$1 million reduction, \$611,700 was a one-time reduction, which would need to be restored in future years. The Legislature restored \$287,100 of this \$611,700 portion in the FY 2006 budget. Most of this money was restored to the board's budget in FY 2006, except for this remaining portion. The funds restored would be used for the continued expansion and refinement of the Idaho Standards Achievement Test (ISAT).

Analyst Comment: Of the money requested in this line item, \$40,600 was requested in FY 2006 for a new position, which was turned down by JFAC.

Agency Request	0.00	324,600	0	0	324,600
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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### 2. ISAT Contract Contingency

The board will be putting the contract to develop and administer the Idaho Standards Achievement Test (ISAT) out for competitive re-bid. If a new vendor is chosen, there will be significant one-time costs incurred, as the board would like to facilitate a smooth transition, if necessary, by having both the old and new vendors under contract for an overlapping six month period. This request would provide the necessary one-time funds for such a transition.

Agency Request	0.00	2,000,000	0	0	2,000,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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### 3. Additional Support Staff

This line item would provide an additional administrative specialist position for the board. The position would focus on preparing board agenda materials, coordinating board meetings and travel, and preparing material for dissemination to media. Of the funding requested, \$54,500 is ongoing, and \$4,000 is one-time.

Agency Request	1.00	58,500	0	0	58,500
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>4. Additional Office Space</b>					
This request would provide the funding necessary for a 50% increase in the amount of office space occupied by the board, or approximately 2,400 additional square feet. While the exact location of said space has not yet been specifically identified by the Department of Administration, the plan is for it to be somewhere in the Capitol Mall. Board staffing levels increased from 10.85 FTP in FY 1997 to 21.00 FTP in FY 2000. Staffing currently stands at 22.00 FTP, although approval of this full budget request would entail an increase to 26.00 FTP.					
Agency Request	0.00	25,000	0	0	25,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>5. Charter School Oversight</b>					
This request would provide for a new administrative analyst position, to provide day-to-day oversight of charter schools authorized by the Public Charter School Commission. The board does not currently have a position available to provide day-to-day oversight for the eleven charter schools that will be under the commission's supervision in FY 2007. Board staffing, to date, has been largely limited to providing administrative support for commission meetings. Of the funds requested, \$90,800 is ongoing, and \$4,000 is one-time.					
Agency Request	1.00	94,800	0	0	94,800
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>6. Management Analyst/Auditor</b>					
This line item would enhance the board's ability to perform management analysis studies and internal audits. The board has lost much of its capacity to perform these functions over the last five years, due to the fact that as incumbents have left these positions, the board has chosen to replace them with personnel possessing different skill sets, more focused on K-12 issues. Of the funds requested, \$90,800 would be ongoing, and \$4,000 one-time.					
Agency Request	1.00	94,800	0	0	94,800
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>7. Grants/Contracts Officer</b>					
The board is requesting this position to improve its ability to establish priorities and secure external resources to fund program priorities that cannot be accommodated within its current General Fund budget. Of the funds requested, \$68,300 is ongoing, and \$4,000 is one-time.					
Agency Request	1.00	72,300	0	0	72,300
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>8. Higher Education Information System</b>					
This request would provide one-time funding for the first year of a proposed three-year project to develop a six-module information tracking system for higher education. The six modules would be enrollment, academic programs, faculty/staff, financial aid, facilities/capital planning, and finance. Such a system would allow the board to perform analyses of programs, and provide more timely and informative reports to policymakers and the public. The total three-year cost of the program is projected to be \$1,580,000, and would need to be followed by an ongoing appropriation of \$240,000 a year, beginning in the fourth year, to maintain the system.					
Agency Request	0.00	580,000	0	0	580,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0



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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>9. Community College Pilot Project</b>					
Agency Request	0.00	0	0	0	0
GOVERNOR'S INITIATIVE: The Governor has recommended an initiative "to provide funding for the initial implementation of a statewide community college system. This initial phase will consist of providing instruction and expanded educational access while minimizing the requirements for capital investment. Additional development of the role of the existing community colleges, College of Southern Idaho and North Idaho College, will require further planning before they are integrated with similar functions offered through post secondary venues that currently exist. Programs offered through Eastern Idaho Technical College, Idaho State University, Boise State University and Lewis Clark State College and their related funding requirements will need to be addressed in a long term plan that incorporates the funding relationships and accountability features that currently exist throughout the educational system." This is the Governor's top priority line item for this agency.					
Governor's Recommendation	0.00	3,500,000	1,500,000	0	5,000,000
<b>FY 2007 Total</b>					
Agency Request	26.00	7,929,700	135,400	7,070,700	15,135,800
Governor's Recommendation	22.00	8,165,200	1,635,400	7,069,600	16,870,200
Agency Request					
Change from Original App	4.00	3,344,800	(41,400)	118,900	3,422,300
% Change from Original App	18.2%	73.0%	(23.4%)	1.7%	29.2%
Governor's Recommendation					
Change from Original App	0.00	3,580,300	1,458,600	117,800	5,156,700
% Change from Original App	0.0%	78.1%	825.0%	1.7%	44.0%